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No. 663.

In the Supreme Court of the United States

OCTOBER TERM, 1947.

UNITED STATES OF AMERICA,
Petitioner,

v.

THE COLD METAL PROCESS COMPANY, ABRAM P. STECKEL AND THE UNION NATIONAL BANK OF YOUNGSTOWN, OHIO, TRUSTEE OF THE LEON A. BEEGHLY FUND,
Respondents.

BRIEF OPPOSING PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT.

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TABLE OF ABBREVIATIONS.

A:1	Refers to pages of lettered volumes of the record (A to F inclusive).
Biggert	Biggert and Johnson (as to patents, applications and claims).
Byrnes Firm	The Pittsburgh patent law firm of Byrnes, Stebbins & Parmelee, which was later Byrnes, Stebbins, Parmelee & Blenko and finally Stebbins, Blenko & Webb.
Cold Metal	The Cold Metal Process Company.
DX	Defendants' Exhibit.
FF	Findings of Fact of District Court (I:79-98).
I:1	Refers to pages of numbered volumes of the record (I to IV inclusive).
Patent '016	Steckel Patent No. 1,744,016.
Patent '195	Steckel Patent No. 1,779,195.
Pet.	Petition for Certiorari herein.
PX	Plaintiff's Exhibit.
United	United Engineering and Foundry Company.

No. 663.

In the Supreme Court of the United States

OCTOBER TERM, 1947.

UNITED STATES OF AMERICA,
Petitioner,

v.

THE COLD METAL PROCESS COMPANY, ABRAM P. STECKEL AND THE UNION NATIONAL BANK OF YOUNGSTOWN, OHIO, TRUSTEE OF THE LEON A. BEEGHLY FUND,
Respondents.

BRIEF OPPOSING PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT.

OPINIONS BELOW.

The findings, conclusions and opinion of the District Court are reported at 62 F. Supp. 127. The opinion of the Court of Appeals is reported at 164 F. (2d) 754.

JURISDICTION.

Respondents admit the jurisdiction of the Court in the premises.

STATEMENT AS TO THE FACTS.

Here, as in the courts below, petitioner has distorted the facts and ignored the findings unacceptable to it, as well as the substantial evidence upon which those findings and conclusions were based. As the Court of Appeals stated (I:282):

> "But appellant's [now petitioner's] contentions repeatedly ignore the findings and the substantial evidence upon which they are based."

The trial occupied twenty-one trial days and the appeal record consists of ten volumes. In view of this voluminous record, we shall state the facts appropriate to the several parts of our argument in the argumentative section of this brief.

SUMMARY OF ARGUMENT.

This case involves mere questions of fact and, moreover, facts peculiar to a single controversy. The facts as found by the Trial Court, after a lengthy trial, fully vindicated respondents. The Court of Appeals concurred with the District Court not only as to the facts but also as to the proper inferences and conclusions to be drawn therefrom. Accordingly, under the settled practice of this Court, certiorari should not be granted.

No question of public policy is involved. The courts below recognized the paramount public policy in cases involving Letters Patent but properly held that on the facts no valid ground of cancellation of the patents had been shown.

No question of law is presented.

Petitioner does not seriously challenge any of the findings of the courts below but complains that they were incomplete; the Court of Appeals, however, properly held that the findings of the District Court were "complete, responsive to and amply supported by the record" (I:282). Petitioner also complains that the inferences drawn by the courts below were wrong; but petitioner's contentions are based upon a distortion of the facts and a disregard of facts which destroy the inferences that it seeks to draw.

Petitioner's "Specification of Errors to be Urged" contains no sound reason for granting the writ.

Petitioner's "Reasons for Granting the Writ" ignore controlling facts and are without merit.

ARGUMENT.

I. SINCE ONLY QUESTIONS OF FACT ARE INVOLVED THE PETITION SHOULD BE DENIED.

The controlling issues in this case are questions of fact. The District Court made detailed findings which, as the Court of Appeals stated (I:282), "are complete, responsive to and amply supported by the record." The conclusions and judgment of the District Court followed inevitably from those findings. The Court of Appeals concurred with the District Court not only on the findings but also on the proper inferences and conclusions to be drawn therefrom. Petitioner does not even claim that there was insufficient evidence to support the findings of the courts below under Civil Rule 52.

There is no question of law presented here. Petitioner is merely seeking a review of facts on which the courts below were unanimous. It is settled that findings of fact concurred in by two lower courts will be accepted by this Court unless clear error is shown and that this "two-court" rule extends both to primary facts and to the inferences to be drawn from those facts.

Anderson v. Abbott, 321 U. S. 349 (1944);

United States v. O'Donnell, 303 U. S. 501 (1938);

United States v. Commercial Credit Co., Inc., 286 U. S. 63, 67 (1932);

United States v. Chemical Foundation, Inc., 272 U. S. 1, 14 (1926);

Washington Securities Co. v. United States, 234 U. S. 76, 78 (1914);

Wright-Blodgett Co. v. United States, 236 U. S. 397, 402 (1915);

Texas & New Orleans Railroad Co. et al. v. Brotherhood of Railway and Steamship Clerks, et al., 281 U. S. 548, 558, 559, 560 (1930);

Houston Oil Co. of Texas, et al. v. Goodrich, et al., 245 U. S. 440, 441 (1918).

The petition seeks a review of the voluminous evidence and a third hearing on a factual situation peculiar to this controversy on the basis of a distorted presentation of the facts. However, this Court will not grant a petition for a writ of certiorari to review evidence and discuss specific facts or to give the defeated party another hearing on matters peculiar to a single controversy.

Crowell v. Benson, 285 U. S. 22, 65 (1932);
United States v. Johnston, 268 U. S. 220, 227 (1925);
Southern Power Co. v. North Carolina Public Service Co. et al., 263 U. S. 508, 509 (1924);
Magnum Import Company, Inc. v. Coty, 262 U. S. 159, 163 (1923).

An application of the foregoing principles to the case at bar requires a dismissal of the petition.

II. THE "QUESTIONS PRESENTED" BY PETITIONER DO NOT ARISE ON THIS RECORD. NO QUESTIONS OF LAW OR PUBLIC POLICY ARE HERE INVOLVED.

A. Petitioner's First Question.

(Pet. 2.)

The courts below did not disregard the *Hartford-Empire* and *Precision Instrument* cases relied upon by petitioner but, on the contrary, recognized the authority of those cases and the paramount public interest in patents. The District Court cited the very cases on which petitioner relies (I:99). The attention of the Court of Appeals was directed to these cases; it distinguished the *Precision* case (I:282), and apparently recognized that the facts here of record took this case entirely outside of the *Hartford-Empire* case.

In *Hazel-Atlas Co. v. Hartford-Empire Co.*, 322 U. S. 238 (1944) the question involved was whether the Circuit Court of Appeals, upon proof that fraud had been perpetrated upon it by a successful litigant, had power to vacate its own judgment at a prior term and direct vaca-

tion of a District Court's decree entered pursuant to the mandate of the Circuit Court of Appeals. There was no dispute as to the existence of fraud in the record as it came before this Court. Thus, this Court (p. 250) referred to "Hartford's fraud, hidden for years but now admitted, * * *."

In *Precision Instrument Manufacturing Co. et al. v. Automotive Maintenance Machinery Co.*, 324 U. S. 806 (1945), the decision was based upon the equitable maxim that a suitor must come into equity with clean hands. The evidence disclosed that plaintiff had taken advantage of its knowledge of suppressed perjured testimony given by a junior applicant in an interference proceeding to obtain title to his application and then proceeded to have the patent issued and to secure contracts from the junior applicant and others interested that they would not contest the validity of the patent. No information was given to the Patent Office of the perjury relating to the junior application. In a suit to enforce this spurious patent, the contracts, and two other patents, this Court held that plaintiff was barred by unclean hands.

In contrast to the situations in these cases relied on by petitioner, both the District Court and the Court of Appeals in the case at bar expressly decided that there were no false oaths or misrepresentations. The Court of Appeals said (I:282-3):

> "The weight of the testimony establishes, and the District Court found, that the parties did not enter into any plan to deceive the Patent Office. No perjury was committed in the proceedings before the Patent Office, as was the case in *Precision Instrument Mfg. Co. vs. Automotive Maintenance Machinery Co.*, 324 U. S. 806. Nor, as found by the District Court, were the facts misrepresented to the Commissioner or his examiners, as was the case in *Federal Communications Commission v. WOKO, Inc.*, 329 U. S. 223. The essential acts and relationship of the parties were

known to the Patent Office before patent 1,779,195 was issued."

The District Court said (I:86):

> "* * * The assertions contained in the oaths were made in good faith in accordance with the routine procedure of the Patent Office necessary to continue the prosecution of their applications and were believed in by the affiants at the time they were made. * * *"

So that whatever standards were applicable to dealings with the Patent Office, there was no fraud perpetrated on the Patent Office in this case and the first question stated by petitioner is not present.

B. Petitioner's Second Question.
(Pet. 3.)

Petitioner's second question—whether the statutory oath required of an applicant for a patent is a matter of routine and not relied upon by the Patent Office—was not presented by the record and is not an issue here for the following reasons:

(1) It is not contended that Steckel, whose patents are here under attack, ever filed a false oath in connection with these patents.

(2) Petitioner asserted below that the Biggert and Johnson oaths filed in the Biggert and Johnson applications (not Steckel's) were false, but petitioner's own witness, Biggert, testified flatly that the statements made in the oaths were made in good faith and were believed by him at the time they were made and for years thereafter (II:70, 71).*

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* It is significant that, despite petitioner's contention in the Court below—denied by its own witness—the Biggert patent was not attacked and United, the owner of it, was not joined as a party. United and various infringers, who were responsible for the instigation of this suit (*infra*, pp. 19-20), assisted the Government at the trial. They had been unable to defeat the patents in private litigation, so they were using this suit "as a last hope" (I:101-102) to escape from these valuable patents that revolutionized the steel rolling industry.

(3) Both of the Courts below expressly decided that there were no false oaths made in prosecuting the applications and that the essential acts and relationship of United and Cold Metal were known to the Patent Office before patent '195 issued (I:86, 87-88, 102-103, 282-283).

As there were no false oaths, it would be academic here to determine what effect, if any, a false oath might have had in the premises, and, since the question is academic under the facts of the case at bar, certiorari should not be granted for the purpose of instructing the Patent Office as to the weight it should give to oaths in other cases before it.

C. The Real Questions Involved.

The only questions in the case at bar are:

(1) Whether fraud was perpetrated on the Patent Office in the procurement of patent '195; and

(2) Whether fraud was perpetrated on the Patent Office in the procurement of patent '016 and if not, whether it was granted as a result of mutual mistake of fact on the part of the Patent Office and the applicant.

These are *fact* questions which have been decided adversely to petitioner by the courts below. As to patent '195, the District Court held (I:104):

> "There was no fraud practiced upon the Patent Office in the procurement of Patent '195 and said patent should not be cancelled in this proceeding either in whole or in part."

As to patent '195, the Court of Appeals (I:282) held that the "weight of the testimony establishes, and the District Court found, that the parties did not enter into any plan to deceive the Patent Office"; that "no perjury was committed in the proceedings before the Patent Office"; that the facts were not "misrepresented to the Commissioner

or his examiners"; and that the facts were known to the Patent Office before patent '195 was issued.

As to patent '016, the District Court held (I:104):

> "There was no fraud practiced upon the Patent Office in the procurement of Patent '016, nor was there any mutual mistake of fact upon the part of the applicant and the Patent Office in the granting of that patent. Patent '016 should not be cancelled either in whole or in part."

The Court of Appeals held (I:281) that the record supports the finding of the District Court that the representations made to the Patent Office in regard to the X-ray pattern of the Steckel product "were believed by Clark to be true, and were, when considered in their entirety, true." The Court of Appeals also held (I:281):

> "The District Court was clearly correct in concluding that neither fraud nor mutual mistake of fact existed in the procurement of this patent."

Since, as the Courts have held, the Patent Office was fully informed before granting patent '195, and the representations made to the Patent Office in regard to the X-ray subject matter of patent '016 were true, there could not have been any fraud or mutual mistake.

This Court has repeatedly held that it will refuse certiorari except in cases involving principles which should be settled in the public interest or presenting a conflict between the several Circuit Courts of Appeals.

Keller v. Adams-Campbell Co., 264 U. S. 314, 319-30 (1924);

Layne & Bowler Corp. v. Western Well Works, Inc., et al., 261 U. S. 387, 393 (1923).

The facts just stated bring the case at bar within this rule and call for denial of the petition.

III. THE PETITION IS FOUNDED ON AN INACCURATE AND MISLEADING STATEMENT OF FACTS WHICH IGNORES POSITIVE FINDINGS OF THE COURTS BELOW BASED ON SUBSTANTIAL EVIDENCE.

In view of the inaccurate and misleading representations in the petition, it is necessary to restate the pertinent facts.

A. As to Patent '195.

The original Steckel application was filed by Stebbins of the Byrnes firm on June 30, 1923 (FF 2, I:80).* On April 20, 1926, Parmelee, another member of the Byrnes firm, knowing nothing of the Steckel application, filed the Biggert and Johnson application for United (FF 4 I:82).** Those applications and the subsequent divisional and continuation-in-part applications were handled by the same primary examiner in the Patent Office and by the same assistant examiner. In December 1926, as a result of the Biggert and Steckel applications being turned over to Blenko, the conflict between the two applications was discovered (FF 5, I:82). The Byrnes firm then advised each applicant that a possible conflict existed and proposed to withdraw as attorneys for each unless the parties wished to arrive at some satisfactory arrangement (FF 5, I:82-3). The parties, United and Cold Metal, expressed a desire to meet, and during May and June 1927 meetings were held (FF 5, I:83). Both applicants requested the Byrnes firm to continue and were advised that this would not be possible in the absence of an agreement (FF 5, I:83).

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* At that time Steckel was operating as an individual, making his first mill in the back end of a friend's garage in Youngstown. Cold Metal was formed in 1926 to commercialize Steckel's inventions and it operated as a small company, cold rolling steel and licensing the Steckel inventions to all comers until it was dissolved in 1945.

** United at that time was and since then has always been the largest mill builder in the world.

On June 20, 1927 Cold Metal and United entered into an agreement which is set forth as Appendix A (*infra* p. 31). Cold Metal entered into that agreement to avoid losing its attorneys, to obtain commercial assistance from United if Cold Metal ultimately secured a patent, and to secure to itself, without any conflict with United, the tension subject matter, which had been claimed continuously in the Steckel application and which was reserved to Cold Metal by the contract (II:399; III:488-90).

Immediately after the signing of the contract, Stebbins, for the first time, told the parties that the conflict in subject matter related to a 4-high anti-friction bearing mill; that the best plan of procedure was to go to the Patent Office, discuss the matter with the examiner and see if they could formulate claims to common subject matter in the Biggert application; that United's commercial success would impress the examiner with the importance of the invention; and that an allowance of substantial claims might be obtained (FF 6, I:84).

Although Cold Metal and United entered into the agreement, they were dealing, and continued to deal, with each other either at arm's length or in open hostility. Neither party was permitted to have access to the other's application, and each party required the Byrnes firm to represent it as if each of the applications was being prosecuted by separate law firms (FF 6-8, I:84-6). This is the manner in which the applications were handled. Cold Metal never got access to the Biggert application until after the Biggert patent issued and United never got access to the Steckel application until January 1929 (FF 6, I:84-85; II:63, 66; III:489, 585, 700).

At the time the contract was signed the parties were told that Steckel had an earlier filing date than Biggert, but neither dates of filing nor the respective dates of invention were disclosed to the parties (FF 6, I:84-5). The attorneys at that time did not even know the respective dates

of invention of Biggert and Steckel (II:118, 122-4, 50, 66; III:714-15; E:123, 124).

Following the conference on June 20, 1927 and pursuant to instructions from United, an interview was had with the examiners in the Patent Office for the purpose of formulating claims in the Biggert application (FF 6, I:85). Several amendments were filed and additional interviews were held and an allowance of the Biggert application was obtained (FF 7, I:85-6).

The Byrnes firm gave consideration to the payment of the final fee on the Biggert application and concluded that it could not disclose the claims allowed in the Biggert application to Steckel without violating its instructions from United and Cold Metal that it should proceed with each conflicting application as though it was in the hands of an independent law firm (FF 8, I:86). Consequently the Byrnes firm paid the final fee and the Biggert patent issued in due course, just as it would have done if the applications had been in the hands of independent law firms (FF 8, I:86).

During this time respondents knew that the Byrnes firm was attempting to formulate and obtain an allowance of claims based upon the Biggert case, but United did not permit Cold Metal to know what the disclosure was or what the claims were that were presented therein or whether they were of such nature that they could be embodied in the Steckel application (FF 9, I:86; III:490, 700, 585-6). The several steps taken in connection with the prosecution of the Biggert applications were taken without the knowledge of or any participation by respondents (FF 8, I:86, III:585-86).

During the prosecution of the Biggert applications oaths, as required by the patent statutes, were filed. While petitioner charges that those oaths were false or were filed with knowledge that the claims were ultimately to be given to Steckel irrespective of the question of inventorship, the

fact is and the evidence and findings below establish that those oaths were made in good faith, were believed to be true and correct when filed, that Biggert continued in that belief for many years thereafter (FF 7, I:86; II:70-1), and that there was no understanding that the claims were to go to Steckel unless they properly belonged to him (FF 8, 9, I:86).

Just prior to the agreement between United and Cold Metal an amendment to the Steckel application was made. This application was, therefore, awaiting action by the Patent Office during substantially the entire time between the date of the agreement and the issuance of the Biggert patent, and no effort was made to delay the Steckel application by the Byrnes firm during that period, as is inferred in the Petition (Pet. 9).

Neither Steckel nor Cold Metal ever had any interests in or rights under the Biggert patent.

Subsequent to the issuance of the Biggert patent, Steckel, for the first time, saw the claims which had been granted to United (FF 9, I:86). Steckel then told the Byrnes firm that those claims defined his invention. The Byrnes firm obtained an opinion from independent counsel that Steckel's disclosure supported 12 of the 13 claims, whereupon those 12 claims were copied into the Steckel application. The examiner decided that Steckel could make the claims and the interference was declared. The Byrnes firm had previously called to the attention of the Patent Office the possible conflict between the Biggert patent and the Steckel application (III:866-7).

Pursuant to the rules, the Patent Office, after the interference was declared, notified both parties that they were represented by the same attorneys (FF 9, I:87). The parties themselves, of course, had known this for some time. Neither party nor the attorneys up to this time had knowledge of which of the two parties, Biggert or Steckel, was in fact the first inventor (FF 9, I:87). Under the rules of

the Patent Office the next step in the interference would have been the filing of preliminary statements setting forth the respective dates of invention, but the Byrnes firm, on making inquiry of United, learned for the first time that Biggert's date of invention was not as early as Steckel's filing date, and hence preliminary statements were not filed on the advice of counsel (FF 9, I:87), as that would have been an idle step. The Patent Office, acting under its rules, awarded priority to Steckel on December 6, 1928 (B:58).

In January 1929, almost two years before patent '195 issued, United, realizing that Steckel was going to get the claims, adopted an openly hostile attitude toward Cold Metal. It released the Byrnes firm, retained other patent counsel, and asked Cold Metal to drop the entire project and suggested that both parties abandon all attempts to control this new mill by a patent. Failing this, United insisted that Cold Metal make a new contract with it on more favorable terms. Failing this, it threatened to go into the Patent Office in an effort to stop the issuance of any patent to Steckel. Cold Metal advised United to take any steps it wanted to take. This threat was carried out by the filing of a petition to reopen the interference on the ground that Steckel was not entitled to any of the claims which had been awarded to him in the interference. United filed not only a petition and two motions, but also an affidavit by Biggert which incorporated a complete copy of the 1927 Cold Metal-United contract. (FF 10, I:87-8; II:66; III:596-8, 715, 813-14; F:187, 188, 189; D:64, 66; B:59-87.)

These papers coupled with the Patent Office's files laid before the Patent Office the entire dealings between Cold Metal and United. Thus, the Patent Office, before it issued patent '195, knew the following:

(a) That the Byrnes firm had represented United in the prosecution of the Biggert applications and had also represented Cold Metal in the Steckel applications.

(b) That the conflict had been called to the attention of the parties by the Byrnes firm.

(c) The specific terms of the United-Cold Metal agreement of June 20, 1927 (Appendix A, *infra*, p. 31).

(d) That Biggert of United *claimed* that the plan referred to in the agreement involved the actual issuance of the patent to Biggert and the subsequent transfer of the claims to the Steckel application.

(e) That as a matter of fact the claims were not transferred to the Steckel application until after the Biggert patent had issued.

(f) That the interference was not contested on the advice of the Byrnes firm.

(g) That United did not see the Steckel application until after the time [redacted]peal from the adverse decision had elapsed.

(h) That when the Byrnes firm was replaced by other counsel for United in January, 1929 United was given a copy of the Steckel application for the first time.

(i) That Biggert in January, 1929 and October, 1930 after seeing the Steckel application still believed that many of the claims of the Biggert patent belonged to him, not Steckel, because he thought Steckel did not have the disclosure to support them.

(j) That the Byrnes firm had represented both United and Cold Metal in the interference and that this fact had been called to the attention of both by the Patent Office.

(k) That the petition and motions to reopen the interference proceedings had been filed by United in pursuance of a threat that if Cold Metal did not accede to United's demands or give assurance that

the Steckel patent would not be issued they would block Cold Metal in the Patent Office.

The letter from the Commissioner of Patents to the Byrnes firm, dated October 10, 1930 (Appendix B, *infra*, p. 34), shows on its face that the Commissioner himself had full knowledge of the important facts which are charged in the Complaint to have been fraudulently withheld from the Commissioner. That letter was not written to obtain *facts* but to enquire of the Byrnes firm *why* it had failed to call the attention of the Patent Office to the conflict so that steps could be taken to insure the issuance of only one patent.* On October 13, 1930 the Byrnes firm replied and explained to the Commissioner that in view of this duty owed to each of its clients it was impossible for it to follow any procedure other than that which it did follow because the two cases had to be prosecuted in the same fashion that they would have been if in the hands of separate attorneys. The Commissioner, being in possession of all of the facts and after receiving the explanatory letter, permitted the application to take its ordinary course, and patent '195 was duly issued.

Thus it will be seen that contrary to petitioner's contentions—

(a) there was no plan to first issue the Biggert patent and then transfer the claims to Steckel, irrespective of which party was the first inventor;

(b) there was no concealment of facts from the Patent Office;

(c) there never was any understanding that the claims obtained were to be transferred to Steckel unless they properly belonged to him—a matter which has

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* At that time, it will be remembered, only the Biggert patent had issued and the Commissioner had it within his power to see that no second patent issued. (See *infra*, pp. 24-5.)

been determined judicially in infringement litigation;*

(d) the Biggert and Johnson oaths were made in good faith and were believed to be true and the fundamental requirement of the statutes that a patent shall issue only to the first inventor was not disregarded or ignored; and

(e) there could have been no deception of the Patent Office because the Commissioner had full knowledge of the facts.

B. As to Patent '016.

As to this patent, petitioner charges that two affidavits filed by Dr. George L. Clark of the University of Illinois during the prosecution of this application were false, in that they incorrectly represented the character of the orientation of the crystallites in steel rolled on the Steckel mill as compared with the orientation in steels rolled on prior art mills. We shall not burden this Court with a statement of the extensive work done by Dr. Clark both before and after the issuance of patent '016, all of which fully supports the representations made to the Patent Office in the affidavits under attack. The District Court (FF 13-21; I:90-98, 103-104) made extensive findings on this subject and concluded that the representations which were made to the Patent Office, including counsel's arguments and the Clark affidavits "were, when considered in their entirety, true, and were reasonably believed by defendants to be true."

The Court of Appeals (I:281) held that the record supports the findings of the District Court, that Clark's statements "were believed by Clark to be true, and were, when

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* *Cold Metal Process Co. v. United Engineering & Foundry Co.*, 3 F. Supp. 120, 68 F. 2d 564 (C.C.A. 3), cert. denied, 291 U. S. 675; *Cold Metal Process Company v. Carnegie-Illinois Steel Corp.*, 108 F. 2d 322 (C.C.A. 3), cert. denied 309 U. S. 665.

considered in their entirety, true." The Court of Appeals also stated that the District Court (I:281) "was clearly correct in concluding that neither fraud nor mutual mistake of fact existed in the procurement of this patent."

The specific contentions now made by petitioner are discussed briefly, *infra*, pp. 20-30.

IV. PETITIONER'S "SPECIFICATION OF ERRORS TO BE URGED" CONTAINS NO SOUND REASON FOR GRANTING THE WRIT.

(Pet. 17-19.)

The thirteen specifications of errors to be urged by petitioner (Pet. 17-19) emphasize the fact that it is merely attempting to have another re-examination of the issues of fact.

Specifications Nos. **1, 2, 4, 5, 7 and 13** can be determined by this Court only upon a review of the evidence in its entirety.

No. 3. The Court of Appeals correctly stated that the Byrnes firm acted in strict accordance with the Sixth Canon of Ethics of the American Bar Association,* but its decision was not based thereon, as petitioner contends. Assuming, *arguendo*, that counsel had violated the Sixth Canon and thus had been guilty of some wrong to either of their clients, no cancellation of the patents would be warranted, because the Patent Office was fully advised of the facts and was not misled, *and the patent was awarded to the applicant who was actually entitled to it.* This is borne out by the Patent Office records, the correspondence with the Commissioner, the decision of the Patent Office in the interference proceeding, and the later decisions in vigorously contested infringement litigation in which the validity of the patents was upheld (I:281).

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* In January, 1933, Judge McVicar made a corresponding finding in litigation between Cold Metal and United; 3 F. Supp. 120; appeal dismissed 68 F. 2d 564; cert. den. 291 U. S. 675.

No. 6. The interrelation of patents '195 and '016 was wholly immaterial. Since there was no fraud or mutual mistake or any improper conduct in connection with either of the patents there was no occasion to determine what effect any possible interrelation between them might have. This specification, like Nos. 1, 2, 4, 5, 7 and 13 can be determined only upon a review of the entire evidence, and hence furnishes no basis for granting certiorari.

No. 8. Although the Complaint is based on charges of fraud, petitioner seems to assert that it should have been entitled to prevail on proof of some nebulous facts falling short of "common law fraud." Irrespective of the terminology used or the standards applied, the fact is that petitioner failed to prove that a fraud of any kind was perpetrated on the Patent Office. The courts below considered the very cases on which petitioner relies here as stating the standards of conduct for dealing with the Patent Office, and held that the Patent Office was fully advised and not misled in any way by respondents.

No. 9. Since both of the lower courts held that the Biggert and Johnson oaths were made in good faith and believed to be true (FF 7, I:86, 282), it is wholly immaterial whether such oaths were of a routine or an essential character. And see *infra* pp. 21-2, 26-7.

No. 10. In view of petitioner's concession in the Court of Appeals* that "The condition of preferred orientation of the grain structure is regarded as less desirable in that it limits the amount of cold rolling that may be done without reheating (intermediate annealing) of the metal." it was vitally important for the Court to consider the extraordinary success of patent '016. That success was attributable in substantial part to the fact that it had practically eliminated intermediate annealing in the cold rolling of steel and other metals. Since, by petitioner's admission,

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* Petitioner's brief in Circuit Court of Appeals, p. 126.

this intermediate annealing could be eliminated only by retarding the appearance of preferred orientation, the commercial success of the invention was important in establishing the greater amount of random orientation in the product of the Steckel mill, which was exactly what the patent claimed and what petitioner attacked.

Nos. 11 and 12. Neither of the lower courts held or intimated that petitioner was barred either by laches or estoppel. The observations of the lower courts to which petitioner refers arose from the fact that counsel for petitioner was actively assisted in the trial court by counsel for various large corporations which were trying to discredit or annul the Steckel patents. These assisting counsel represented among others Bethlehem Steel Corporation,* Republic Steel Corporation, The Youngstown Sheet & Tube Company,* American Rolling Mill Company,* Wheeling Steel Corporation,* McLouth Steel Corporation, United Engineering & Foundry Co., the largest builder of rolling mills in the world, and E. W. Bliss Company, another large builder of rolling mills (III:734-5, IV:1257). The District Court found in this cooperative arrangement between petitioner and these large corporations a possible explanation as to why petitioner delayed so long in bringing suit after it was fully advised of all the facts. Thus the District Court said (I:101-2):

> "In the eventual prosecution of this action several of the patent attorneys for companies very much interested in having the patents declared invalid were in continual attendance upon the trial, and while not attorneys of record for the plaintiff, yet continuously aided and assisted the attorneys for the plaintiff in

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* After the decision of the District Court below, Bethlehem Steel Corporation, The Youngstown Sheet & Tube Co., American Rolling Mill Co. and Wheeling Steel Corporation entered into agreements settling the claims against them for past infringements of the two patents here involved and some twenty-three other patents (see *infra*, pp. 29-30).

> the preparation and actual trial of the case. Their interest in the case was a proper one, but at the same time it possibly helps explain the bringing of this action after so long a delay and only after unsuccessful efforts to have the patent declared invalid in previous litigation, leaving this type of action as a last hope. If the Government was as strongly convinced that these patents were procured by fraud as is now urged in this case, there has been no adequate explanation of why this action was so long delayed."

As to the same subject, the Court of Appeals said (I:283):

> "Both patents have now expired. If, as significantly found by the District Court, the Government was as strongly convinced that these patents were procured by fraud as is now urged, there is no adequate explanation why the present suit to cancel the patents was not filed until some thirteen years after all of the facts were fully revealed to the Patent Office."

Thus it is clear that no holding was made as to laches and estoppel, but the long delay and the vigorous cooperation of those powerful interests primarily concerned in the destruction of the patents for their own selfish ends seems to have created substantial doubt as to the good faith of the prosecution.

We submit that none of petitioner's specifications furnishes any basis for granting certiorari.

V. PETITIONER'S "REASONS FOR GRANTING THE WRIT" IGNORE CONTROLLING FACTS AND ARE WITHOUT MERIT.

What has already been stated is dispositive of petitioner's contention that the writ should be granted; but for the sake of completeness, we shall discuss briefly several of the specific arguments advanced in the petition as reasons for granting the writ (Pet. 19-26).

A. Reasons 1, 2, 3(a) and 4.
(Pet. 19-30, 31-2.)

(1) *The Patent Office Was Not Misled.*

Petitioner would have this Court believe that the Commissioner issued patent '195 in ignorance of the true facts. This charge is repeated in many forms (Pet. 9, 12, 16, 20, 21, 23, 26, 29). These assertions are incorrect. As we have shown, the District Court found (I:102-3) on the basis of undisputed evidence that the Patent Office "was not in ignorance of the true facts" before patent '195 issued. The Court of Appeals held (I:282-283) that the Commissioner of Patents was fully informed, that "he could not have been misled," that the parties did not enter into any plan to deceive the Patent Office, that no perjury was committed in the Patent Office, that no misrepresentations were made to the Commissioner, and that the essential acts and relationship of the parties were known to the Patent Office before patent '195 issued. These holdings are fully supported by the record and demonstrate the unsoundness of petitioner's contentions.

(2) *There Was No Plan to Circumvent the Statutory Requirements.*

The petition asserts (p. 9) that the Biggert and Johnson oaths were filed "despite the arrangement" that the claims sought were ultimately to be transferred to Steckel and (pp. 27-8) that these oaths were false or were filed in disregard of the statutory requirement that a patent shall issue only to the first inventor. These assertions are contrary to the evidence and the findings below.

As to these oaths, the District Court stated (I:86):

> "* * * The assertions contained in the oaths were made in good faith in accordance with the routine procedure of the Patent Office necessary to continue the prosecution of their applications and were believed in by affiants at the time they were made. * * *."

The Court of Appeals stated (I:282):

> "* * * No perjury was committed in the proceedings before the Patent Office, * * *."

That the oaths were not filed in disregard of the statutory requirements is shown by the uncontradicted testimony that: (a) at the time there was no understanding that Steckel in all events was to get the claims; (b) the fact as to priority of invention was not known but was inquired into at the proper time, i.e., when the interference was declared; and, (c) Steckel was then determined to be the first inventor of all the claims copied into his application. On this point the District Court found (FF 9, I:87):

> "* * * When the interference was declared, defendants and Biggert were notified by the Patent Office that the interference had been set up and that they were represented by the same attorneys. The Byrnes firm then communicated with United and ascertained that Biggert and Johnson's conception date was not as early as Steckel's filing date, and, consequently advised both parties against the filing of preliminary statements. * * *"

The contract of June 20, 1927 shows on its face that there was no agreement as to who would ultimately get the claims. It says: "*When and if* such claim or claims to common subject matter" are granted to Steckel, United would get a license (Appendix A, *infra*, p. 32). This is a far cry from a definite arrangement that Steckel would get the claims.

The evidence as to the dealings of the parties also belies petitioner's position. Throughout the whole period the parties were dealing at arm's length or in open hostility (FF 6, 8, 9, 10; I:84-8). When United found that it could not retain the claims and that they were going to Cold Metal, it tried to get Cold Metal to drop all efforts to obtain a patent, adopted an openly hostile attitude

toward Cold Metal, insisted upon a revised, more favorable contract, and, failing this, did everything it could do to stop Cold Metal from getting the claims (I:87-8; II:66; III:596-8, 715, 813-14; F:187, 188, 189; D:64, 66; and B:59-87). That controversy has raged continuously since that time. United has directly and indirectly attacked the patent in litigation and has assisted the petitioner in the trial of this case.

(3) *There Was No Extension of the Patent Monopoly.*

The petition asserts (p. 29) that as a result of the plan and its "concealment" the Patent Office was persuaded, contrary to the requirement "that only one patent issue on common subject matter and then only to the original and first inventor," to issue two patents with the further consequence that the monopoly was expanded to a period of 20 years. This contention is without substance. The evidence shows, and the courts below found, that the applications were handled in the same way that they would have been handled had they been in the hands of separate attorneys and that the same result would have followed, namely, the issuance of the Biggert patent and the subsequent issuance of the Steckel patent (FF8, I:86). Patent Office procedure contemplates interferences between pending applications and issued patents. Ordinarily when a pending application prevails over an issued patent in an interference it results in the issuance of two patents. The prevalence of this practice is shown by the Official Gazette of the Patent Office of January 15, 1929—the issue which announced the decision in favor of Cold Metal and against Biggert (DX4, F:66). In this one publication, covering a period of only one week, there were adverse decisions in interference proceedings with respect to six patents that had previously issued. Thus, pending applications had been accorded priority over six issued patents.

In the present case, the Commissioner had it within his power to refuse to grant the Steckel patent and thus avoid the granting of two patents, for only one had issued when he became fully aware of all the facts; but in the exercise of his judgment he proceeded to grant the Steckel patent.

(4) *The Correspondence With the Commissioner Furnished No Basis for a Charge of Fraud.*

The petition states that the letter of explanation dated October 13, 1930 (Appendix B, *infra*, p. 35) contained false representations which were relied on by the Commissioner in granting patent '195 (Pet. 11-12, 29). This is incorrect, and the courts below so held. The Court of Appeals held (I:282):

> "• • • Nor, as found by the District Court, were the facts misrepresented to the Commissioner or his examiners, • • •. The essential acts and relationship of the parties were known to the Patent Office before patent 1,779,195 was issued."

Petitioner attacks the explanation in this letter (Appendix B, *infra*, p. 38) that "It was not our plan to get the claims issued in Biggert and Johnson and then transfer them to Steckel." and that it was never their intention "deliberately to take out claims in Biggert and Johnson simply with the idea of later transferring them to Steckel." The correctness of these explanations is apparent from the record, including the letter itself. The Commissioner knew, of course, what had actually occurred. The applications were handled as they were, not for the purpose of transferring the claims to Steckel after first getting them in the Biggert patent, but to do justice to each applicant. The course adopted was the only one which could be followed by the Byrnes firm pursuant to the agreement of the parties that it was to represent each as though it was represented by separate counsel.

(5) *The Commissioner Was Not Rendered Powerless to Reject the Steckel Application.*

Petitioner asserts that by issuing the Biggert patent the Patent Office was "rendered powerless to recall its grant or to take the position that the [claims] were unpatentable" (Pet. 9). While Congress has never seen fit to provide for recalling a patent such as Biggert's, the statutes provide for interference between applications and patents, and when the application prevails and whether or not a second patent is granted, such a cloud has been thrown over the issued patent as to nullify it. Moreover, the Commissioner, in the absence of an interference, can grant a second patent and the conflict can then be disposed of under R. S. 4918 (35 U. S. C. A. 66).

The Commissioner at any time before a patent is granted can reject the claims *as unpatentable* even though one or more patents have already been granted containing the same claims.

> *In re Engelhardt*, 40 F. (2d) 760 (C. C. P. A., 1930);
> *In re Orcutt*, 32 App. D. C. 345 (C. A. D. C. 1909).

Patent Office Rule 95 specifically provided and still provides *inter alia*; 35 U. S. C. A., p. 730:

> "In case the subject matter in controversy has been patented to one of the parties but is deemed by the examiner not to be patentable to an applicant, he shall call the case to the attention of the Commissioner."

Petitioner's witness, Ex-Commissioner Robertson, testified that he could have refused to grant the Steckel patent even after Steckel prevailed in the interference (II:243).

(6) *The Letter of the Present Commissioner of Patents Dated February 13, 1948 Supplies No Sound Reason for the Allowance of the Writ.*

(Pet. 37-40.)

The Commissioner's letter forms no part of the record in this case. Its author took office late in 1947 and can have no direct knowledge of the facts. The letter is predicated on the statement (Pet. 37-8) "As I understand the facts as found, there was concealment and misrepresentation of many pertinent facts relative to the prosecution of the applications for these patents"; an "understanding" directly contrary to "the facts as found" by both courts below.

The Commissioner complains (Pet. 38) of the "underlying circumstance that conflicting applications were prosecuted by a single firm of attorneys representing both applicants," but he has not pointed out that Patent Office Rule 96 (35 U. S. C. A. §§ 47-88, p. 731) specifically contemplates such a situation and does not forbid it.* Rule 96 was in force twenty years ago when the Steckel and Biggert applications were before the Patent Office. Although the facts were known to Commissioner Robertson before he issued the Steckel patent, he made no change in the rule. It remained unchanged through two successive Commissionerships, and the present Commissioner has not changed it. If the Patent Office apprehends that Rule 96 affects its operations adversely, it is only necessary for it to amend the Rule. No decision of this Court instructing it to change its practices is necessary or appropriate; 35 U. S. C. A. Sec. 6.

The Commissioner expresses concern with the language of the District Court in respect of the statutory oaths required by the Patent Office. No reason for concern ex-

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* The second paragraph of Rule 96 of the Patent Office reads as follows, 35 U. S. C. A. § § 47-88, p. 731:

> "Whenever it shall be found that two or more parties whose interests are in conflict are represented by the same attorney or agent, the examiner shall notify each of said principal parties and also the attorney or agent of this fact."

ists. The language complained of arose out of answers given by ex-Commissioner Robertson in answer to questions by the Court (II:227-8) and stands for no more than that the oaths filed by *Biggert and Johnson* were not relied on by the Patent Office as stating the correct facts in the ultimate allowance of the *Steckel* patent. In this connection see particularly the cross-examination of ex-Commissioner Robertson (II:225-7). Moreover, the District Court found the Biggert and Johnson oaths were "made in good faith" and "were believed in by the affiants at the time they were made." Surely a finding of this sort does not warrant apprehension on the part of the present Commissioner that other applicants for patents will conclude that they are justified in filing oaths other than in good faith.

B. Reason No. 3(b).
(Pet. 30-31.)

This alleged reason relates only to the X-ray subject matter of patent '016. Petitioner has attacked the two affidavits made by Dr. Clark and filed in the Patent Office, on the ground that they were false. Petitioner admits that there was evidence in Dr. Clark's correspondence to substantiate the affidavits (Pet. 30), but states that the letters of Dr. Clark dated May 7, July 15, and September 9, 1929 and the report of Dr. Blake contradict the affidavits and, as these four items were not brought to the attention of the Patent Office, respondents "breached the uncompromising duty of full disclosure to the Patent Office." (Pet. 31).

Petitioner's position apparently is that although the overwhelming volume of the evidence (approximately 1500 pages of reports and correspondence) in Cold Metal's hands had convinced it of the soundness of the X-ray claims, which were in fact sound, Cold Metal was nevertheless under the duty to submit all apparently adverse evidence (approximately 10 pages of reports and correspondence) in its possession, no matter how preliminary or fragmen-

tary or contrary to the final opinion reached. If petitioner's contention has any merit, then the entire 1500 pages of documentary material should have been submitted to permit the Patent Office to arrive at its own conclusion, and not simply the four isolated items selected by petitioner out of this mass of material.

The issue decided by the District Court turned upon a question of scientific and highly technical fact—whether the Steckel process delayed the appearance of preferred orientation in the cold rolled product of the Steckel mills. Expert witnesses testified for both parties and the practical demonstration of the success of the Steckel process was an important factor in the decision.

It is clear that neither of the lower courts felt justified in putting any reliance on petitioner's expert witnesses (I:103, 281). Both of the lower courts found that the Steckel process does delay the formation of preferred orientation as claimed in the patent. This was a question of fact which the trial court who saw the witnesses and heard them testify was peculiarly fitted to determine. The Court of Appeals affirmed the judgment of the District Court on this question holding specifically, as did the District Court, that the statements in the Clark affidavits which petitioner attacks "were believed by Clark to be true, and were, when considered in their entirety, true."

We submit that petitioner's request to review this question of fact furnishes no basis for granting certiorari, see cases cited, *supra* (pp. 3-4).

C. Reason No. 5.

(Pet. 32-4.)

Here again petitioner asserts that the courts below "ignored the paramount public interest in patents" and failed to share in the judicial concern for protecting the public manifested by this Court in the *Hazel-Atlas* and *Precision Instrument* cases (Pet. 33-4). This assertion is

grossly unfair to the lower courts for the reasons already stated (*supra* pp. 4-6).

D. Reason No. 6.

(Pet. 34-6.)

Petitioner asserts that the disposition of about $10,000,000 paid into the registry of the Court in this case and $5,000,000 paid into the registry of the Court* in *United States v. Thomas Steel Corp. et al.*, "depends upon whether the patents are held to have been fraudulently procured," and that in the *Thomas Steel* case the defendants have "largely conceded" the Government's right to the major portion of the impounded fund if the patents are cancelled for fraud. These assertions are incorrect and are unsupported by anything in the record.

The funds paid into the registry in this case were paid by a number of steel manufacturers (I:171) in settlement of claims for past infringement of *twenty-five* patents including the two involved here (I:158-159). Sometime subsequent to the District Court's decision, and while this case was on appeal, the infringers,** voluntarily, with full knowledge of the pendency of this case, paid this money into Court. The settlement agreements refer specifically to this case (I:160-161) and provide for the payment of the sums agreed upon into the registry of the Court (I:162-3). They provide for future licenses to the manufacturers under all of the patents and the payment of future royalties. Moreover, each expressly states that the payment for past infringement is "unconditional" and that the manufacturer "hereby waives all claims to the

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* These sums represent but a small fraction of the savings by the use of the Steckel inventions. As compared with old processes the manufacturing savings may be 20% to 50% or more of the cost. *The Cold Metal Process Co. v. The United Engineering & Foundry Co.*, 3 F. Supp. 120, 124; *The Cold Metal Process Co. v. Carnegie-Illinois Steel Corp.*, 108 F. (2d) 322, 329.

** Counsel for most of these infringers assisted petitioner during the trial of this case.

return of the sum so paid or any part thereof *under any* condition whatsoever" (I:164). In other words, they agreed that regardless of the outcome of this case the sums so paid should go to respondents. Hence, the ultimate disposition of this case will have no bearing on such sum.

As to the funds in the registry of the court in the *Thomas* case, approximately $1,000,000 was paid by Allegheny-Ludlum Steel Co. and Wallingford Steel Co. for past infringement. Those payments by Allegheny and Wallingford are in the same category as the $10,000,000 mentioned above and were made under the same large group of patents and under the same conditions. Hence the disposition of this case cannot affect such sums.

The remaining sum on deposit in the *Thomas* case represents royalties payable to respondents under lawful license agreements involving many other patents in addition to the patents in suit here. Those royalties were tied up by petitioner under the Royalty Adjustment Act (35 U. S. C. A. 89-96). That controversy remains undecided. Contrary to the petition (p. 35) *not one* of the licensee-defendants has conceded that petitioner has *any* right to *any* of the sums paid into court even if the patents be cancelled.

VI. CONCLUSION.

We respectfully submit that the petition should be denied.

Respectfully submitted,

CLARENCE B. ZEWADSKI,
FRANKLIN B. POWERS,
HOWARD F. BURNS,
Attorneys for Defendants-Appellees.

March 29th, 1948.

WHITTEMORE, HULBERT & BELKNAP,
MANCHESTER, BENNETT, POWERS & ULLMAN,
BAKER, HOSTETLER & PATTERSON,
Of Counsel.

APPENDIX A.

Agreement, June 20, 1927 between The Cold Metal Process Co. and United Engineering & Foundry Co. (United Ex. 98, United Rec. p. 1779). (PX 42, D:19-21.)

THIS AGREEMENT

Made at Pittsburgh, Pennsylvania, this 20th day of June 1927, by and between THE COLD METAL PROCESS COMPANY, an Ohio Corporation, of Youngstown, Ohio, hereinafter called "Cold Metals," and UNITED ENGINEERING & FOUNDRY COMPANY, a Pennsylvania Corporation, of Pittsburgh, Pennsylvania, hereinafter called "United," WITNESSETH THAT:

WHEREAS, both parties own certain applications pending in the United States Patent Office relating to 4-high rolling mills and the rolling of thin material; and

WHEREAS, it has been suggested to the parties by their attorneys that it may be possible to secure claims to a certain subject-matter common to both parties' applications;

NOW THEREFORE, in consideration of the sum of one dollar ($1.00) and other good and valuable consideration paid by each party to the other party, the receipt of which is hereby acknowledged, and in further consideration of the mutual covenants hereinafter contained, the parties hereto agree for themselves, their successors and assigns, as follows:

1. The parties will, through their appropriate officers, immediately hold a conference at which their patent attorneys, Byrnes, Stebbins & Parmelee, shall be authorized by both parties to suggest claims covering certain subject-matter common to both parties' applications, and which it is understood are not at the present time being presented in Cold Metals' applications; together with a plan for securing the allowance of such claims;

2. Cold Metals shall not after such conference present in its applications claims of the scope suggested at the conference, or directed to the subject-matter common to both parties' applications, if such claims are broader or of different scope than the

claims now presented in Cold Metals' applications, except with the agreement and cooperation of United.

3. When and if such claim or claims to common subject-matter are granted in any patent issued on Cold Metals' applications, Cold Metals shall grant to United a license to make, use and sell rolling mills under such claim or claims, which license shall be exclusive to United for 4-high hot mills and for 4-high cold mills in which the major portion of the power required by a roll stand is supplied to the rolls directly and not through tension exerted on the material for pulling it through the rolls; Cold Metals, however, reserving the right to make or have made for its own use and to use in its own plant or plants such hot and cold mills, *and provided further that Cold Metal shall have the right to make use and sell or to license others to make use or sell such 4-high hot mills in combination with means for coiling the rolled strip between passes as described in the pending application of A. P. Steckel Serial #198915 filed June 15, 1927.**

Inserted before completion of execution and delivery.

F. C. B.
A. P. S.*

4. Immediately after such conference and without waiting for such claims to be secured, the parties shall negotiate the payment to be made by United to Cold Metals for such license, when and if granted. If the parties cannot agree upon such payment, the matter shall be submitted to three arbitrators, whose majority decision shall be accepted as final by both parties. The three arbitrators shall be as follows:

Marshall A. Christy, of Pittsburgh, Pa.
Rollin C. Steese, of Youngstown, Ohio,
Charles H. Booth, of Youngstown, Ohio.

In case any of the arbitrators cannot serve, another or other arbitrators may be selected by the

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* PRINTER'S NOTE: Italicized matter was added in longhand. Boldface matter is a marginal note in longhand.

parties, but in case the parties cannot agree on such substitute arbitrator or arbitrators, then the above named arbitrators shall select the substitute arbitrator or arbitrators.

In Witness Whereof, the parties hereto have caused this agreement to be signed, sealed and delivered as of the day and year first above written.

The Cold Metal Process Company
By A. P. Steckel,
Pres.

Attest:
W. H. Kilcawley,
Secretary.

United Engineering & Foundry Company
By F. C. Biggert Jr.,
Pres.

Attest:
Chas. C. Satler,
Secretary.

APPENDIX B.

Letter, October 10, 1930, Thomas E. Robertson, Commissioner, to Byrnes, Stebbins, Parmelee & Blenko (DX 5, F:67).

Address Only
The Commissioner of Patents
Washington, D. C.

281002
EMG

DEPARTMENT OF COMMERCE
UNITED STATES PATENT OFFICE
Washington

October 10, 1930.

Messrs. Byrnes, Stebbins, Parmelee & Blenko,
P. O. Box 1020,
Pittsburgh, Pa.

Gentlemen:

According to the petition recently filed to reopen the interference of Biggert and Johnson v. Steckel and the affidavits filed in support thereof, you appeared as attorneys for both parties, you prosecuted the Biggert and Johnson application to allowance and after the patent issued thereon copied claims therefrom in the Steckel application and took a judgment by default in the interference declared between these two parties.

The records of this Office indicate that no claims were presented in the Steckel application during the pendency of the Biggert and Johnson application which would have justified the examiner in suggesting the claims of the latter to the party Steckel.

In other words, while acting as attorneys for both parties, you not only made no suggestion that there was a possible conflict between these two applications, but prosecuted them in such a way as to lead the examiner, naturally, to infer that there was no conflict between them.

Is it not clearly the duty of any attorney, if circumstances can be such as to justify his representing applicants having conflicting applications, to call attention to that conflict promptly so that proper steps can be taken by this Office to insure the issuance of only one patent and that to the proper party?

Yours truly,

THOMAS E. ROBERTSON
Commissioner.

Letter, October 13, 1930, Byrnes, Stebbins, Parmelee & Blenko to Hon. Commissioner of Patents (DX 6A, F:68-72).

BYRNES, STEBBINS, PARMELEE & BLENKO
(Formerly Bakewell, Byrnes & Stebbins)
Counsellors at Law in Patent
and Trade Mark Causes

October 13, 1930.

Telephone 1609 Atlantic
Farmers Bank Building
Pittsburgh

Clarence P. Byrnes
George E. Stebbins
Earle L. Parmelee
Walter J. Blenko

47

William H. Parmelee
Bruce G. Mackey
Herbert C. Kimball
J. Wallace Hopkins
Edward Hoopes III
Barnwell R. King
William H. Webb

Commissioner
Oct. 14, 1930
of Patents

Hon. Commissioner of Patents,
Washington, D. C.

For the Personal Attention of
Hon. Thomas E. Robertson

Sir:

This is in answer to your letter dated October 10, 1930, inquiring as to our acts while representing the parties prior to and during the interference of Biggert and Johnson v. Steckel. The facts were such that it was impossible for us to follow any procedure other than that which we did follow.

The Steckel application was filed in 1923. As originally filed it contained claims to the mill structure. The Biggert and Johnson case did not come into our office until some years later and it was first handled by another member of our organization who was devoting a great deal of time to the work of the United Engineering and Foundry

Company and who did not know of the presence of the Steckel case in our office. This of course is a situation which is likely to arise in any large office.

The conflict was not discovered until after an action on the merits in the Biggert and Johnson case. We had been handling the work of both parties for some years and had become conversant with their general lines of work before this conflict arose. We were then in this position:— We could not [2] reveal to either party the subject matter of the conflicting case. We could not wash our hands of the responsibility which we had assumed as to each client, particularly in view of the large amount of time which we had already spent with each client on its work. Neither could we revise either case in the light which was given from our knowledge of the other.

We had two alternatives. We might have dropped out of both cases, but could hardly do this in fairness to either party in view of the amount of time already spent, unless they were willing that we do so. The alternative was to suggest the bare fact of a conflict to the parties and recommend that they get together.

We first took the matter up with the parties, suggesting the possible conflict but not revealing the identity of the other party. Both were willing that they should meet to discuss the situation. The meeting was held and the business arrangement was made by the parties directly. We had nothing to do with the business arrangement. We were specifically requested by each party to continue the prosecution of its case. Neither party wanted us to drop out.

The Biggert and Johnson mill had at that time the greater commercial success and the opinion of the public as to the inventive character of the advance was centered at that time on Biggert and Johnson. This is evidenced by the reference to trade journals made during the prosecution of [3] the Biggert and Johnson case. The United Engineering and Foundry Company was extremely anxious to get the patent issued in view of its commercial operations. We were repeatedly instructed both by Mr. Biggert, the then President of the Company, and Mr. I. W. Frank, the Chairman of the Executive Committee, that we must do everything to speed the prosecution of the case and the issuance of the patent. In fact, Mr. Biggert and Mr. Frank

both personally attended the interview with the Patent Office Examiner which was had in the case when the patentability of the claims was discussed.

When the Biggert and Johnson application was allowed, we were specifically instructed by United Engineering and Foundry Company to pay the final fee and issue the patent as quickly as possible.

It was our understanding at that time, and this is borne out by your letter of October 10th, that the present attitude of the Patent Office toward conflicting cases is that there shall be no interference declared despite the existence of common subject matter unless both parties are claiming substantially the same thing at the same time. This we understand is a departure from the Office practice of former years.

In view of this practice of the Office it was clear to us that had either of the cases been filed through any other attorney the Biggert and Johnson patent would have issued in due course, just as occurred. We saw, too, that had we dropped out of both cases the same thing would have happened. We felt that we must prosecute the two cases in exactly the same fashion that they would have been handled had they been in the hands of [4] separate attorneys. Even after the agreement was executed we did not disclose the application of either party to the other, but postponed this until the time when such information would have been available had the cases been in the hands of separate attorneys. Prior to the issue of Biggert and Johnson we were not at liberty to discuss with Steckel the language of the Biggert and Johnson claims, nor were we at liberty to disclose to Biggert and Johnson the subject matter of Steckel. The business arrangement hinged upon Steckel obtaining claims on subject matter common to the two cases—not on his obtaining claims of the same wording—and no royalty was to be paid unless and until Steckel obtained claims to common subject matter.

If the Patent Office had followed the old practice it would have declared an interference on its own motion. We could not transfer the claims from Biggert and Johnson into Steckel or treat the Biggert and Johnson applica-

*not since 1904

* The words "not since 1904" appeared in longhand in the margin of the original letter a photostat of which was produced from the Commissioner's office.

tion any differently than it would have been treated by any other attorney who did not have the Steckel case in his office. It seemed clear to us that we ought not do anything to hold up the issuance of Biggert and Johnson when we were instructed by United Engineering and Foundry Company to take the patent out at the earliest possible moment, and when we further knew that this was exactly what would have happened if it had not been for the accident of the two cases being with the same firm of attorneys.

[5] The petition which was filed in the attempt to reopen the interference did not correctly state the facts. It was not our plan to get the claims issued in Biggert and Johnson and then transfer them to Steckel. On the contrary, it was our thought that Steckel by reason of his broader disclosure and earlier filing date would probably want claims couched in broader terms than those of Biggert and Johnson. We felt that when the Biggert and Johnson patent issued the essence of the invention could then be pointed out to Steckel and he could advise us of what he deemed to be his invention along these lines. In this respect the situation was exactly the same as that which arises every day in practice before the Office. In fact, since the Office adopted its present attitude of refusing to declare interferences between cases of common subject matter, but limiting interferences to those cases claiming substantially the same thing at the same time, we have been forced, in justice to our clients, to impose upon all of the men in our organization the burden of examining each patent in the Official Gazette for the purpose of determining whether or not there is a conflict between an issued patent and any pending applications which he may have.

When Biggert and Johnson issued and Steckel saw the claims he instructed us to copy them and there was no recourse but to follow his instructions. It was never our intention deliberately to take out claims in Biggert and Johnson simply with the idea of later transferring them to Steckel, but we could not in fairness to either party give him an advantage which he would not have enjoyed or put him at a disadvantage which he would not have suffered had the cases been in the hands [6] of separate attorneys. If they had been in the hands of separate attorneys the Biggert and Johnson patent would have issued promptly, as it did, and United Engineering and Foundry Company

would have had the claims. If we had brought pressure to bear upon United Engineering and Foundry Company to disclose the Biggert and Johnson claims to Steckel and thereby had provoked an interference before the issue of the Biggert and Johnson patent, we would have obviously been placing the United Engineering and Foundry Company in a worse position than it would have been had it had another attorney. As matters now stand, the United Engineering and Foundry Company has the Biggert and Johnson patent. If any question is ever raised in the future and it should ever be decided that even a single claim taken out of Biggert and Johnson could not be sustained in Steckel, then there would have been a loss of this claim to both parties. The United Engineering and Foundry Company now has the claims and if it should be held that such claims are not properly made by Steckel, the United Engineering and Foundry Company has preserved all of its rights in such claims and is exactly in the position as it would have been had the cases been in the hands of separate attorneys.

On the above facts it seemed to us clear that our duty was to handle the cases in exactly the fashion we did. We did not feel obligated to suggest an interference when we had no way of knowing whether Steckel was going to assert his right to the identical claims and when the Patent Office had established the practice of refusing to declare interferences except on the basis of substantial identity between [7] claims. If there had been an obligation upon us to call the attention of the Office to the possible conflict, such obligation would not have been terminated by our dropping out of the cases. Yet it is obvious that had we dropped out of both cases it would have been highly improper for us to have invited the attention of the Office to the situation. The most that we could do for the parties was to advise them of a possible conflict and to suggest that they come to an arrangement in the event of such conflict. The Office undoubtedly knew at the time that it allowed the Biggert and Johnson application of the *possibility* of a conflict, but under its present practice refused to act. We felt throughout the handling of the cases, and still feel, that we pursued the only honorable course open to us.

Very truly yours,

BYRNES, STEBBINS, PARMELEE & BLENKO